will cover only the weavers of the Varanasi. The Cluster Management and Technical Agency (CMTA) has been engaged for technical and managerial assistance on 'concept' to 'commissioning' basis. The Cluster Management and Technical Agency has submitted the diagnostic study report of the Varanasi Mega Handloom Cluster. So far, no financial assistance has been released under the said Scheme.

Textile companies facing reduction in overseas orders

391. SHRI GIREESH KUMAR SANGHI: Will the Minister of TEXTILES be pleased to state:

(a) whether textile companies face rightsizing as they are facing reduction in demand as overseas orders shrink;

(b) whether the textile export to US are facing payment defaults;

(c) whether his Ministry also feels that the textile export target will not be achieved; and

(d) if so, to what extent global financial crisis have also affected textile and what are concrete measures and steps being taken to improve the textile exports?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) Textiles Export Promotion Council/bodies have been reporting substantial slow down in demand from overseas markets especially from Europe and the US. Subsequently, the domestic industry sources also have been reporting production cuts and capacity under utilization.

(b) The exporters to the US have been reporting about payment defaults. There are also instances where the overseas buyers have been asking for price reduction and have delayed payments.

(c) and (d) The exports of textiles and clothing products from India have increased steadily during the last five years from US$ 13.5 billion in 2003-04 to US$ 22.13 billion in 2007-08 – US$ 13.5 billion in 2003-04, US$ 14.03 Billion in 2004-05, US$ 17.08 billion in 2005-2006, US$ 19.15 billion in 2006-07 and US$ 22.13 billion in 2007-08. However, due to economic slowdown, exports of textiles and clothing may fall short of the target during the current year. USA, which is India's single largest market for textiles and clothing products, and many other major buyer countries have been facing economic slow down leading to adverse impact on India's exports.

The likely shortfall in achieving the target is attributable to general decrease in the volume of imports of textiles and clothing by the major buyer countries and erosion of competitive edge of the exporters in the global markets due to high domestic transaction costs and incidences of multiple duties and taxes. Government have recently announced relief packages for exporters to counter the slow down in exports following the global financial crises, which include reduction in interest rates on export finance, increased fund allocation for textiles etc.